Country Situation Overview on COVID-19 Second Wave

In Myanmar, the COVID-19 second wave started in mid-August. The country has seen a dramatic increase in the number of cases in the second wave compared to numbers from the first wave. The government has extended the international flight ban imposed since 30 March and domestic travel since 11 September. Stay-at-home orders have been issued in cities across the country and only businesses providing essential services are allowed to continue operating. Travel restrictions and other measures to prevent the spread of the virus continue to impact businesses and farmers across all sectors of the economy.

In line with the classification of microfinance services as essential services by the Ministry of Labour, Immigration and Population (MoLIP), VFM continues to provide access to financial services such as savings withdrawals and loan disbursements to support the livelihoods and food security of clients during the crisis in spite of tightening cash flow due to disruptions caused by the pandemic.

Supporting Smallholder Farmers

U Nyunt Htwe is one of many farmers who struggled to maintain their agriculture activities during COVID-19. When he heard that VFM was providing loans to those who were not able to start the paddy season, he applied for his first loan of 800,000 MMK. Before the pandemic, U Nyunt Htwe had good income to cover household expense but when the crisis happened, he could not sell his products such as paddy and beans at good prices. When he tried to take loan from money lenders from the village he lived, no one would provide a loan because lenders were worried about getting back their money during this difficult time. With a loan from VisionFund, U Nyunt could store his crops and wait for prices to increase instead of selling his crops immediately after harvest.

Ngwe Bike Cash Transfer Project

VFM partnered with the Department of Social Welfare (DSW) under the Ministry of Social Welfare, Relief and Resettlement to support the app-based initiative, Ngwe Bike Cash Transfer Project. The project aims to deliver cash support to pregnant women in Myanmar in response to the COVID-19 pandemic. In line with VFM’s mission of empowering women to build secure livelihoods and ensure the wellbeing of their children and families, VFM teamed up with DSW to register beneficiaries and disburse cash to pregnant women during wave 2 of the pandemic. Nationwide, the cash transfer project reached 244,170 beneficiaries, with each beneficiary receiving 30,000 Kyats. The funding was intended to mitigate the impact of COVID-19 and to ensure nutrition security for vulnerable populations such as newborns and their mother.

A total of 229 VisionFund staff in 22 branches located in Yangon, Mandalay, Magway, Tanintharyi, Sagaing, Mon and Kachin participated in the project. In spite of technical challenges, VFM helped to register 8,522 pregnant women and disbursed 197,220,000 MMK to 6,574 beneficiaries.

"My name is Thin Thin Aye and I live in 107 ward, South Dagon Township. I have an 8-year-old daughter, and now I am three-months pregnant. My friend who works in VFM told me that their MFI was helping pregnant women through the project. So, I came here. This project helps us during this difficult time. Since the cash can partly cover delivery costs, it is beneficial for both mother and child."

Daw Thin Thin Aye, South Dagon
COVID-19 Restrictions Affect Businesses Activities

According to survey results, the vast majority of surveyed VFM clients have been impacted by COVID restrictions, with most reporting difficulties in accessing customers or clients due to mobility restrictions. Only 15% of respondents reported business was normal.

In the past 30 days, has your business been facing any of the following challenges due to the COVID-19 outbreak and related restrictions?

- **79.91%** Difficulties in accessing customers due to mobility restrictions
- **61.82%** Difficulties in accessing suppliers due to mobility restrictions
- **35.45%** Loss in demand due to other reasons
- **28.64%** Reduction in the availability and/or price increases for the main inputs
- **20.00%** Depreciation of productive capital due to inactivity
- **17.73%** Difficulties in securing access to finance
- **15.00%** No particular challenge
- **9.09%** Difficulties with worker absenteeism arising from mobility restrictions
- **8.64%** Difficulties with worker absenteeism arising from other reasons
- **2.27%** Difficulties tending to my business because of care duties

Savings and Other Coping Strategies

According to survey findings in addition to savings, VFM clients resorted to multiple coping sources to cover their living expenses.

- **76%** of the participants have to use their savings.
- **42%** indicated that they had to borrow money.
- **31%** indicated switching to other jobs or occupation.
- **26%** relied on the help of family members and 21% sold an asset.

Savings withdrawals from July to September:

- **July** 579,877 USD | 789,328,554 MMK | 13,319 Clients
- **August** 532,750 USD | 705,424,976 MMK | 14,291 Clients
- **September** 551,329 USD | 727,109,261 MMK | 12,869 Clients

VFM Continues to Support Agri and Livestock Businesses *

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount Disbursed</th>
<th>Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td>4,089,179 USD</td>
<td>5,724,850,000 MMK</td>
</tr>
<tr>
<td>September</td>
<td>3,703,071 USD</td>
<td>5,184,300,000 MMK</td>
</tr>
</tbody>
</table>

Branch-Level Activities

- **Palaw branch** donated 450,000 MMK to COVID-19 Response Committee for buying ventilators, oxygen tank and other PPE such as masks and gloves.
- **Naungkhoio branch** provided 10 packages of masks and sanitizers to the local hospital.
- **Pyinoolwin branch** donated 150,000 MMK to Zee Pin Gyin quarantine centre for buying COVID-19 protection materials.
- **Myanaung branch** donated 150,000 MMK to the COVID-19 Control and Emergency Response Committee.
- **Pathein branch** donated 200,000 MMK to Pathein Hospital.
- **South Dagon branch** provided 120 meals to COVID-19 patients in Ingapu quarantine centre.
- **Myeik branch** donated masks to the quarantine centre and basic staples to families.
- **Mrauk-U branch** donated surgical masks, surgical gloves, rubber gloves, spirits and KN95 masks to Mrauk-U general hospital.
- **Hsipaw branch** donated hand sanitizers and masks, oil, rice and salt to the residents of Mi Ya Htar quarter in Hsipaw.

* July is not a major planting season and there was less client demand so disbursement was lower.